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TAGS: PGOV ECON PREL IZ IT NATO ITALIAN POLITICS ITALY NATIONAL ELECTIONS SUBJECT: ITALIAN CENTER LEFT OFFICIAL SAYS NATO ESSSENTIAL

REF: A. ROME 724 ¶B. ROME 584

Classified By: Political Minister Counselor David D. Pearce for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: Democrats of the Left Member of Parliament and former U/S in the Ministry of Foreign Affairs Umberto Ranieri told Pol M/C that his party considers NATO an essential pillar of international security. He assured us that far left radicals would not make foreign policy in a future center-left government. Pol M/C raised the importance of stability in Iraq to both our nations' security interests and stressed the need for a potential center-left government to coordinate any actions closely with the Iraqi government and the U.S. Ranieri said that "we agree with the government on the timing of the withdrawal of troops from Iraq" and on on the timing of the withdrawal of troops from Iraq and on the need to prioritize the continued stabilization of Iraq. Asserting that PM Berlusconi will lose the April 9-10 elections because of Italy's poor economic performance, Ranieri said the center-left's priority would be to spur economic growth. END SUMMARY.
- 12. (SBU) Pol M/C and Poloff met March 8 with Democrats of the Left (DS) Member of Parliament and former U/S in the Ministry of Foreign Affairs Umberto Ranieri. Ranieri is also the former head of the DS International Affairs office and likely to figure prominently in the foreign policy apparatus of any future center-left government.

NATO AS PILLAR OF INTERNATIONAL SECURITY

- 13. (C) Pol M/C expressed concern that the center left's coalition program emphasizes the centrality of Italy's relationship with the EU at the apparent expense of Transatlantic Alliance. Ranieri responded that there is no doubt that NATO is an essential pillar of international security and called the Euro-Atlantic alliance fundamental. He said NATO's purpose might have been questioned in 1989, immediately after the fall of communism, but that its centrality is again unquestionable. He cited NATO's cooperation agreements with Russia as a positive development and called NATO's participation in Afghanistan a "good idea." However, in the context of Afghanistan, he went on to say that the Alliance must be careful not to lose its roots in the transatlantic region with multiple missions outside its core competency.
- $\underline{\P}4$. (C) Ranieri said some members of the center-left have the wrong position on NATO and cooperation with the U.S. continued that in a CL government, far left radicals
 "Oliviero Diliberto and even Fausto Bertinotti would not make foreign policy." Noting that the center-right has had to contend with the Northern League's extreme positions on some foreign policy issues, Ranieri expressed confidence the center-left could do the same with its fringe elements. said the core of the center-left is moderate and responsible.

CL AGREES WITH THE GOVERNMENT ON IRAQ TROOP WITHDRAWALS

15. (C) Pol M/C raised the importance of stability in Iraq to both our nations' security interests and stressed the need for a potential center-left government to coordinate closely any actions with the Iraqi government and the U.S. Ranieri said that "we agree with the government on the timing of the withdrawal of troops from Iraq" and on the need to prioritize the continued stabilization of Iraq.

DOMESTIC POLICY: SPURRING ECONOMIC GROWTH

16. (SBU) Ranieri predicted the CL would win the April 9-10 elections mostly because PM Berlusconi had failed to deliver economic growth, jobs in Southern Italy, and a significant reduction in the tax burden. Admitting that Berlusconi had faced a challenging period with an economic slowdown throughout Europe and the effects of 9/11, Ranieri said a future CL government would prioritize the reversal of Italy's slow growth. Ranieri said that Bank of Italy Governor Draghi's recent speech outlining Italy's economic problems is in perfect harmony with the CL's analysis. A Prodi-led government's highest priority would be to increase investment and to stimulate economic growth. The CL will also reduce social security contributions both for employers and workers by a total of Euro 10 billion annually. When asked, he could not explain how the CL would make up for the lost revenue, except to say that the social security tax cuts would be phased in gradually. Ranieri said the CL's other priority would be to support investment in research and to search for ways for Italian firms to capitalize on research. Ranieri said the CL would build on Berlusconi's pension, labor and education reforms, which he judged generally positive.

17. (C) COMMENT: Ranieri was more upbeat about the importance of the Transatlantic Alliance than DS President Massimo D'Alema (REF A) and the Union program plan itself, which never mentions the word NATO (REF B). Nevertheless, we have raised the importance of NATO in all our meetings with CL leaders and have generally received positive feedback. Our assessment is that there are potentially influential supporters of NATO within the CL with whom we can work to ensure its continuing primacy in Italian security policy. But while a center-left government may not tamper excessively with existing NATO commitments, we suspect they will be more difficult to bring along on new ones. We are also somewhat skeptical about Ranieri's assessment that the likes of Bertinotti and Diliberto will focus more on economic and social policy than foreign affairs. Whether the extremists allow themselves to be removed from foreign policy will likely depend on what their election numbers look like, and how vital they see themselves to the viability of any center-left governing coalition. END COMMENT. SPOGLI

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